

AMENDED IN ASSEMBLY APRIL 29, 2013

AMENDED IN ASSEMBLY APRIL 17, 2013

AMENDED IN SENATE MARCH 19, 2013

Senate Concurrent Resolution

No. 15

Introduced by Senator Lieu

(Coauthors: Senators Correa, De León, DeSaulnier, Gaines, Liu, Monning, Wyland, and Yee)

(Coauthors: Assembly Members Ammiano, Ian Calderon, Frazier, Roger Hernández, Ting, Wieckowski, Wilk, ~~and Yamada~~ *Yamada, Achadjian, Alejo, Allen, Bigelow, Bloom, Blumenfield, Bocanegra, Bonilla, Bonta, Bradford, Brown, Buchanan, Campos, Chau, Chávez, Chesbro, Conway, Cooley, Dahle, Daly, Dickinson, Donnelly, Eggman, Fong, Fox, Beth Gaines, Garcia, Gatto, Gomez, Gordon, Gorell, Gray, Grove, Hagman, Hall, Harkey, Holden, Jones, Jones-Sawyer, Levine, Linder, Logue, Lowenthal, Maienschein, Mansoor, Medina, Melendez, Mitchell, Morrell, Mullin, Muratsuchi, Nazarian, Nestande, Olsen, Pan, Patterson, Perea, John A. Pérez, V. Manuel Pérez, Quirk, Quirk-Silva, Rendon, Salas, Skinner, Torres, Wagner, Waldron, Weber, and Williams*)

February 25, 2013

Senate Concurrent Resolution No. 15—Relative to financial literacy.

LEGISLATIVE COUNSEL'S DIGEST

SCR 15, as amended, Lieu. Financial Aid and Literacy Month.

This measure would declare April 2013 as Financial Aid and Literacy Month to raise public awareness about the need for increased financial literacy.

Fiscal committee: no.

1 WHEREAS, Studies reviewed by the Library of Congress
2 indicate that United States retail investors lack basic financial
3 literacy, including a weak grasp of elementary financial concepts
4 and a critical lack of knowledge of ways to avoid investment fraud;
5 and

6 WHEREAS, Sixty-two percent of women and 53 percent of
7 men would have less trust in someone if they found out that the
8 prospective partner was in serious debt; and

9 WHEREAS, Sixty-eight percent of adults believe that sharing
10 the same attitudes toward managing money is the most important
11 factor in a relationship; and

12 WHEREAS, Sixty-nine percent of parents expect their children
13 to contribute financially to their college education, and the same
14 percentage of parents expect that they or their children will be
15 paying student loans off for at least five years after graduation;
16 and

17 WHEREAS, More than one-half of teenagers state they want
18 to learn more about how to manage their money, especially about
19 basic personal finance topics such as budgeting, saving, checking
20 accounts, and investing; and

21 WHEREAS, Fifty-six percent of United States adults admit that
22 they do not have a budget, and 77 million American adults do not
23 pay all of their bills on time; and

24 WHEREAS, Outstanding student loan balances increased to
25 \$956 billion as of September 2012, and the size of the average
26 student loan since 2005 has risen by 58 percent to \$27,253, with
27 a delinquency rate of 15.1 percent; and

28 WHEREAS, As of September 2012 about \$1.01 trillion of
29 American consumer debt is delinquent, with \$740 million seriously
30 delinquent; and

31 WHEREAS, There are 382 million open credit card accounts
32 and balances on these credit cards increased by approximately \$2
33 billion in the third quarter of 2012; and

34 WHEREAS, Forty percent of low- and middle-income
35 households use credit cards to pay for basic living expenses such
36 as rent or mortgage bills, groceries, utilities, or insurance because
37 they did not have enough money in their checking or savings
38 accounts; and

39 WHEREAS, Nearly one-half of low- and middle-income
40 households carry debt from out-of-pocket medical expenses on

1 their credit cards, with the average amount of medical credit card
2 debt being \$1,678; and

3 WHEREAS, Approximately 11 percent of United States
4 consumers are unbanked, and another 11 percent are underbanked,
5 and these unbanked and underbanked individuals are more likely
6 than fully banked consumers to have lower incomes and be
7 younger, minority, female, unmarried, unemployed, and unwilling
8 to take financial risks; and

9 WHEREAS, The State of California leads the nation in terms
10 of personal debt per capita, and also leads the nation in the
11 delinquency status of debt balance per capita; and

12 WHEREAS, One-quarter of those participating in 401(k) plans
13 withdraw funds to cover nonretirement costs, such as school tuition,
14 mortgages, and credit card payments; and

15 WHEREAS, Forty-four percent of retired worker beneficiaries
16 who claimed social security benefits in 2011 were 62 years of age,
17 thus severely diminishing their overall benefits through the
18 remainder of their lives; and

19 WHEREAS, Nineteen percent of workers are not at all
20 comfortable in their financial preparations for retirement; and

21 WHEREAS, Twenty percent of workers and 12 percent of
22 retirees report their level of debt is a major problem; and

23 WHEREAS, In 2012, 62 percent of adults who were between
24 the ages of 45 to 60 reported at least a 20-percent decline in the
25 value of their financial assets since the start of the most recent
26 recession, up from 42 percent in 2010; and

27 WHEREAS, Fifty-one percent of military families who have
28 completed a financial literacy program are more likely to feel
29 extremely or very financially confident when it comes to dealing
30 with financial matters than those who never completed a financial
31 literacy program; and

32 WHEREAS, Baby boomers who grew up in households where
33 parents talked about money management and saving for retirement
34 are significantly more likely to be financially prepared for
35 retirement (42 percent) than unprepared financially (29 percent);
36 and

37 WHEREAS, According to the 2012 Junior Achievement
38 USA/Allstate Foundation “Teens and Personal Finance” survey,
39 86 percent of teenagers turn to their parents for money management

1 advice, and yet just 56 percent of them think they will be as
2 financially well-off or better than their parents; and

3 WHEREAS, Only 24 percent of teenagers learn how to manage
4 money from teachers; now, therefore, be it

5 *Resolved by the Senate of the State of California, the Assembly*
6 *thereof concurring*, That the Legislature hereby declares April
7 2013 as Financial Aid and Literacy Month to raise public awareness
8 about the need for increased financial literacy; and be it further

9 *Resolved*, That legislators, employers, schools, service groups,
10 community organizations, libraries, financial institutions, and the
11 media shall be encouraged to provide opportunities for financial
12 literacy education for all Californians through a variety of means
13 and to collaborate with members of the California Society of
14 Certified Public Accountants, the California Jump\$tart Coalition,
15 and others as they provide outreach and education; and be it further

16 *Resolved*, That the Secretary of the Senate transmit copies of
17 this resolution to the author for appropriate distribution.